

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 3/26/2013	(3) CONTACT/PHONE Janette Pell 781-5200	
(4) SUBJECT Update on Women's Jail Expansion Project.			
(5) RECOMMENDED ACTION It is recommended that the Board receive and file a report on the current status of the Women's Jail Expansion project.			
(6) FUNDING SOURCE(S) Housing Unit, Medical Facility and Security System Total is \$38.7 M State lease revenue bonds: \$25.1 M, County Funds \$7.0 M from Detention Facility Reserves, and \$5.3 M TBD (may use other reserves), In-Kind Match: \$1.3 M IRC/Sally Port (optional) \$7.6 M – Funding not yet defined	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Partially budgeted.
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ____) { X } Board Business (Time Est. <u>45</u>)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances { X } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5th's Vote Required { X } N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { } N/A Date: 7/18/2006; 7/17/2007; 12/4/2007; 1/29/2008; 3/11/2008; 9/21/2010; 2/22/2011; 12/13/2011; 4/10/2012; 6/19/2012; 8/28/2012; 12/11/2012; 12/18/2012	
(17) ADMINISTRATIVE OFFICE REVIEW Vince Morici			
(18) SUPERVISOR DISTRICT(S) District 2 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Janette Pell, 781-5200
Sheriff's Office/Chief Rob Reid, 781-4540

DATE: 3/26/2013

SUBJECT: Update on Women's Jail Expansion Project.

RECOMMENDATION

It is recommended that the Board receive and file the report on the current status of the Women's Jail Expansion project.

DISCUSSION

Overcrowding at the Women's Jail has been an issue for well over a decade. In 1999, the San Luis Obispo Grand Jury prepared a report that highlighted overcrowding at the Women's Jail and recommended the County evaluate options to expand the facility. Initial programming to expand the Women's Jail facility assumed that the entire cost would be borne by the County. In 2006, the County began the design of a Women's Jail facility. Shortly after the design began, the State passed AB 900, the Public Safety and Offender Rehabilitation Act of 2007. This legislation made State funding available to local governments to expand or construct new correctional facilities. In 2008, the County received a conditional award of approximately \$25 million from the AB 900 funding. The award was based upon the 2007 cost estimates for a Women's Jail Expansion (WJE) project design which included a housing unit and a new medical facility that includes programming space that will serve the entire jail complex.

The \$25 million award of AB 900 funds covers 75% of the original estimate for construction expenses for the housing unit and medical facility identified in the application for the State funds. Expenses related to project administration, design, permits and construction management count toward the County's obligatory contribution of matching funds but are not eligible to be directly funded with AB 900 funds.

The estimated cost for the project was developed in 2007 as part of the application for AB 900 funds. The 2007 project cost estimate included an inflation factor to the midpoint of construction which at that time was intended to be 2010. The project was placed on hold at the end of 2009 due to the uncertainty of the State funding. In February 2011, the Board approved restarting this project and work on the project resumed. The attached project chronology (Attachment A) provides details of Board of Supervisor actions related to the project to date.

The project currently consists of three components.

- A new housing unit and a new medical facility that includes programming space that will serve the entire jail complex (Base Bid).
- A new security system to serve the entire jail complex. The new system will replace an aging security system that uses outdated and unsupported technology (Base Bid).
- Remodel of the existing Intake/Release Center (IRC) and Sally Port (Optional Bid).

The first two components will be bid as the base bid. The third component will be a bid option. The bid option would only be pursued if it is financially feasible to do so. If the bids are lower than estimated and funding is available for the optional

component, all project components would be constructed. If funding for the optional component is not feasible, the IRC/Sally Port component will not be pursued until funding is available in the future.

Only the housing unit, medical facility, and the portion of the security system associated with those units are eligible for the AB 900 funding. The security system for the existing jail is to be funded with County dollars. The IRC/Sally Port which is the optional bid component and the security system in the existing jail relies entirely on County funds as these components are not eligible for AB 900 funds.

The WJE project is a large and technically complex project that has and will continue to require considerable application of staff and consultant resources. The construction documents are nearing completion. A defined schedule to bring the project to bid has been provided to the State and is included later in this report.

Status of Project Cost

In October 2012, the General Services Agency and the WJE Steering Committee recognized early signs of potential cost impacts related to project scope, technology, schedule, and permitting requirements. As reported to the Board in December 2012, the WJE Steering Committee identified that the project was falling behind schedule. The delays in the project schedule had the potential to put the AB 900 funds at risk. Additionally, there was concern that not all project costs had been fully updated given the delay in the project time line. At the December 2012 update, staff received Board approval to contract with Cannon Corporation to provide additional project management support to analyze and update the project schedule and cost estimates. The primary focus of this status report is to provide information regarding changes to the estimated cost of the WJE project, as well as an update on the project schedule.

The original estimated total cost for the project was developed in 2007 by Vanir. This estimate was based on the project Preliminary Design and was developed as part of the application for AB 900 funds. The costs were estimated in 2007 dollars and adjusted by an inflation factor to forecast a construction cost to the mid-point of construction in 2010 dollars.

When the project resumed in February 2011, an updated Preliminary Design cost estimate was prepared by Cumming/AECOM for construction only. Another construction only cost estimate was prepared by Cumming/AECOM at 50% Design in February 2012. These two estimates showed that the estimated construction costs were closely aligned with the amounts previously estimated for the project in 2007. A third construction cost estimate done by Cumming/AECOM at 95% design in October 2012 showed the housing unit and medical facility were still within 2007 project cost estimates. Costs for the new security system showed an increase, but the details of the increased cost were not clearly identified in this cost estimate. This estimate also showed costs for the IRC/Sally Port were greater than the 2007 estimate.

Cannon Corporation has completed a thorough analysis of the project schedule and cost estimates for the base bid and optional bid components. The following table summarizes the changes to the overall project costs identified by Cannon Corporation.

Revised Project Cost Estimate (Numbers are in Millions of Dollars)

Component	Original project cost in 2010 dollars (2007)	Revised project cost Feb 2013	Change
Housing Unit/Medical Facility	\$33.5	\$33.4	-\$0.1
Security System	\$2.9	\$5.3	\$2.4
Base Bid Total	\$36.4	\$38.7	\$2.3
IRC/Sally Port	\$5.5	\$7.6	\$2.1
Total with Alternate	\$41.9	\$46.3	\$4.4

Project Cost - Housing Unit, Medical Facility and New Security System (Base Bid Component)

This section is focused on the base bid component. The housing unit, medical facility and security system associated with those units are the components tied to the \$25.1 million in AB 900 funding and moving these components forward is essential to maintain eligibility for the State funding and address overcrowding at the Women's Jail.

The following summarizes the information developed since the December 2012 update to the Board:

- The overall cost of the housing unit, medical facility and new security system (the base bid component) is estimated to be \$38.7 million. This is an increase of approximately \$2.3 million more than the original (2007) estimate.
 - The estimated cost for the housing unit and medical facility is estimated to be approximately \$33.4 million or approximately \$100,000 less than the original estimate. The costs for design, permitting and other non-construction services have increased above original estimates, largely due to a longer time frame for construction than originally planned. However, the overall cost for these facilities shows a decrease of \$100,000. The basic driver of the \$100,000 decrease in estimated cost is a decline in raw materials costs, largely steel and copper. At the time the original estimate was developed, the costs for these metals were much higher than current costs.
 - The current cost for the new security system is approximately \$5.3 million or approximately \$2.4 million greater than the original estimate. Details of the increased cost are discussed below.
 - The revised estimate uses the October 2012 construction cost estimate from Cumming/AECOM and incorporates an inflation factor that escalates the total construction cost from 2012 to the midpoint of construction, now estimated to be 2015.
 - Non-construction expenses related to design, permitting and construction management were revised based on the extension of the original project construction schedule from 19 months to 36 months.
- The existing security system is a combination of five separate proprietary systems that are outdated. Support by the original vendors is no longer available and the parts and equipment for these systems are no longer being manufactured. The majority of the expense for this system is funded with County dollars. Only the portion of the new security system related to the housing unit and medical facility is eligible for AB 900 funding. The higher than previously estimated expense for the security system is due to the following:
 - The original design developed in 2006 and 2007 relied on using the existing security system infrastructure. This included re-use of many of the existing analog cameras as well the use of the existing coaxial cabling within the jail complex.
 - In the intervening six years, changes in technology have made reuse of the existing security infrastructure less feasible. Newer security technology relies on digital signals that require greater capacity cabling than exists in the jail as well as cameras that use current standards for video capture. The existing infrastructure does not support the proposed technology. In 2012, the Sheriff's Office, in conjunction with the security system consultant made the decision to use the more modern equipment for security. The decision has merit because using the existing security system infrastructure would substantially limit the ability to make future enhancements or additions to the system. The updated design will help to avoid potential future costs which may result from changes in state standards or adoption of newer technologies.
 - The original design included computer server based storage of 30 days of video capture. The transfer of server storage to disk storage would provide the required 365 days of video capture. The new design uses all server based storage to capture the required 365 days of video storage. This reduces reliance on technology that is becoming outdated, reduces staff time needed to transfer video capture to disk and increases the reliability of complying with the 365 day storage required by the State.

- The change in the design and scope of the security system to reflect current technology standards resulted in increased costs. The cost increases are related to two main components listed below:
 - Approximately \$2 million is needed for the replacement of all existing cameras with internet protocol (IP) cameras and removal and replacement of existing coaxial cabling with new Ethernet cable throughout the entire jail complex.
 - Approximately \$400,000 is due to increases in video capture storage from the originally designed 30 day server based storage to 365 days of server based storage.

In summary, the base bid component will likely require an additional \$2.3 million in County funds to complete. The funding will likely be recommended to be drawn from County reserves or other sources of funding which do not directly impact the General Fund.

Project Cost – IRC/Sally Port (Optional Bid)

This section addresses changes to the cost of the bid option component to expand and remodel the existing IRC and Sally Port at the jail. This involves remodeling and expanding the IRC into the existing vehicle Sally Port to better accommodate the intake and release of individuals at the jail. It also includes remodeling and expanding the secure area for the vehicle Sally Port to accommodate the larger vehicles that transport inmates to and from the jail.

The original 2007 cost was estimated at \$5.5 million. The revised estimate shows an increase in cost of approximately \$2.1 million for a new estimate of approximately \$7.6 million. This increase is due to several factors as described below:

- The bus Sally Port was a recent addition to the initial project scope and the cost for this project was never fully accounted for in previous estimates. This change in scope added approximately \$2 million to the optional bid component and is the primary driver of the increased cost associated with the IRC.
- Architectural and engineering services during the design of the Sally Port were added after the original estimate was developed and not accounted for in subsequent estimates.
- Architectural and engineering services during the construction of the IRC and Sally Port were added after the original estimate was developed and not accounted for in subsequent estimates.
- The estimate includes escalation of total construction cost from 2012 to the midpoint of construction in 2015.

As described above, the Sally Port was not in the initial design and was added at a later date. Construction of the IRC/Sally Port component together with the base bid expansion project would be optimal. However, the increased cost for the optional bid component will likely result in its deferral to a future date.

All of the revised cost estimates include expenses for design, construction, permitting, construction management and County staff costs through construction close-out. The cost estimates for the base bid and optional bid incorporates change order amounts consistent with industry standards.

Status of Project Schedule

Presently, the project is scheduled to begin construction in October 2013. This time frame is generally consistent with the intended time frame to complete the bidding process and issue a notice to proceed to the selected contractor. Upcoming Board actions and project milestones include:

- April 2013
 - Request that the Board approve the Construction Management contract with Arcadis on April 2, 2013. Arcadis will oversee and manage all project construction. An augmentation of approximately \$204,000 will be required at this time to cover Arcadis' contract costs through bidding.

- Request that the Board approve a revision of the Pre-Qualification Program and release the new packages on April 2, 2013. In December 2012, the Board approved the Pre-Qualification process. Although numerous responses were received, due to the strict requirements set forth very few General and Sub-contractors qualified. A revised program is expected to yield an acceptable number of responses and increase the opportunity for local contractors to bid. The intent of the revised program is to minimize the preparation effort required of contractors that previously submitted and streamline the County's review effort. As a result, previous submitters should only need to make limited revisions to their original proposals. Board approval of the pre-qualification process is required pursuant to Public Contract Code 20101.
- March – October - Bid Package
 - Obtain updated final approval from the State Fire Marshal and Board of State and Community Corrections of plans/specifications due to various corrections and changes to the bid documents. The documents were revised as a result of a quality control review by AECOM, constructability review by the architectural firm HOK, and plan check review by Willdan Group, Inc.
 - Obtain State Pooled Money Investment Board approval.
 - Obtain State Department of Finance approval.
 - Obtain Board approval for authorization to bid.
 - Release bid package.
 - After bids are received by the County and lowest responsible bidder is determined, the State Department of Finance reviews all bids and confirms approval of apparent low bidder.
 - Board approves low bidder and awards a construction contract.
- October 2013 - Construction Notice to Proceed.
- March 2016 - Base Bid Construction Completion.
- September 2016 – Optional Bid Construction Completion (if awarded).

OTHER AGENCY INVOLVEMENT/IMPACT

The WJE Steering Committee with participants from the Sheriff's Office, Auditor-Controller, County Administrative Office, County Counsel, and GSA provided input into the presentation and has been actively involved in conducting project oversight.

FINANCIAL CONSIDERATIONS

The following table summarizes in broad terms the overall anticipated costs and sources of funding for the project. Construction costs for the housing unit and medical facility are eligible for \$25.1 million in State funding.

The County's share of costs for the base bid component of the housing unit, medical facility and security system has increased from the originally estimated \$10.0 million to a revised estimate of \$12.3 million. The funding for the original project included \$7 million in detention facility reserves and \$3 million from other reserves. The revised estimate of other reserve funding needed to complete the base bid component has increased to \$5.3 million.

Funding for the IRC/Sally Port construction has not been identified. Construction was originally estimated to be \$5.5 million. The revised estimate is \$7.6 million and would require an additional \$2.1 million. This project component would only be recommended if there were sufficient savings in the base bid component to warrant moving forward with the IRC/Sally Port project.

Table Showing Original and Revised Project Costs and Funding Sources (Numbers are in Millions of Dollars)

	Costs				Funding						
Component	Orig. Est Cost (2007)	Revised Est Cost (2013)	Change		State Funding	In- kind Match	Cash Match Orig (2007)	Cash Match revised (2013)	Funding Total Orig (2007)	Funding Total Revised (2013)	Change
Housing Unit and Medical Facility	\$33.5	\$33.4	-\$0.1		\$25.1	\$1.3	\$7.1	\$7.0	\$33.5	\$33.4	-\$0.1
Security System*	\$2.9	\$5.3	\$2.4				\$2.9	\$5.3	\$2.9	\$5.3	\$2.4
Total Base Bid	\$36.4	\$38.7	\$2.3		\$25.1	\$1.3	\$10.0	\$12.3	\$36.4	\$38.7	\$2.3
Optional IRC/Sally Port	\$5.5	\$7.6	\$2.1				\$5.5	\$7.6	\$5.5	\$7.6	\$2.1
Total with Option	\$41.9	\$46.3	\$4.4		\$25.1	\$1.3	\$15.5	\$19.9	\$41.9	\$46.3	\$4.4

* The portion of security system that is eligible for AB 900 funding is captured in the \$25.1 million in State funding identified for the housing unit and medical facility.

The WJE will have approximately \$1 million in expenditures from March 2013 through October 2013, the projected time frame for consideration and award of the construction contract. The costs include architectural and engineering services, project management, permitting and environmental compliance, services to prepare bid documents and staff time.

The annual cost for the additional staff needed to operate the new Women's Jail was estimated to be approximately \$1.4 million. When the Women's Jail project was first approved by the Board, staffing and operational costs were to be entirely funded with County dollars. As a consequence of Realignment in 2011, AB 109 provides funding to local governments to offset additional costs associated with housing state inmates to local correctional facilities. According to the Sheriff's Office, many of the new Correctional Deputies necessary to operate the new Women's Jail have already been hired through the AB 109 program. The new staff currently oversees a women's honor farm housed in modular buildings. These staff will be shifted to the new jail facility when constructed. The Sheriff's Office estimates that AB 109 will fund approximately \$1.4 million of the additional annual cost for staff, food, clothing and other operational costs necessary to run the new jail. The annual operating cost to the General Fund is expected to be substantially less than the amount identified when the Women's Jail project was originally approved.

General Services Agency will provide regular updates as the WJE project progresses. It is anticipated that in June 2013 Arcadis will prepare another estimate at 100% Design incorporating all new information developed over the next few months. The final cost estimate will be provided to the Board once construction bids are received in October 2013.

RESULTS

The WJE project will expand the capacity of the Women's Jail by up to 155 beds, alleviate overcrowding conditions and provide capacity for the future. It will also provide improved medical facilities for both male and female inmates and additional space for rehabilitation programs such as counseling and education. Replacement of the entire electronic security system is essential to the secure operation of the entire of jail. State funding will provide \$25.1 million and would offset approximately 75% of the cost for the housing unit, medical facility and security system associated with those units. The facility improvements will contribute to a safer community.

ATTACHMENTS

1. Chronology of Board Actions
2. Vicinity Map